GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:822
ANSWERED ON:26.02.2009
EXPLOITATION OF GAS FROM KG BASIN
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the time by which production from D6 Block of KG basin is likely to start;

(b) the quantum of gas likely to be exploited per day from D6 Block of KG basin.

(c) the names of agencies/parties to whom the gas is likely to be sold and supplied from this Block of KG Basin;

(d) the rates at which the gas is likely to be sold to different parties; and

(e) the reasons for fixing different price for public and private sector ?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS(SHRI DINSHA PATE)

(a) As per the latest review of KG-D6 D1 and D3 gas field development in Block KG-DWN-98/3,the operator envisages initial start up and commissioning for production in March 2009 with supply to customers starting from April 2009.

(b) Initial production of gas will be in the range of 10-15 Million Metric Standard Cubic Metres Per Day (MMSCMD), which is expected to reach 40 MMSCMD by July 2009 and be ramped to a level of 80 MMSCMD in 2010.

(c) It has been decided that,out of the first 40 MMSCMD to be produced from the KG-D6 field,supply would be made to the existing gas-based urea plants so as to enable full capacity utilization,upto 3 MMSCMD to existing gas-based LPG plants, upto 18 MMSCMD to Power Plants lying idle/under-utilized and likely to be commissioned during 2008-09 and existing liquid fuel plants which could switch to natural gas and upto 5 MMSCMD to City Gas Distribution Projects for domestic and transport sectors. No agreements have been signed between the contractor and offtakers as yet.

(d) and (e) The sale of gas will be made at a uniform price, based on the formula approved by the Government, having upper limit of US $ 4.2 per Million British Thermal Unit (MMBTU) to all the parties including Public Sector Undertakings (PSUs) of the State or Central Government.